

Communicating Value to Negotiate Higher Fees

Presenter: *Melanie Klinghoffer, Founder of Powerful Transformations*

Melanie Klinghoffer helps leaders and professionals maximize individual, team and organizational impact and performance. She is the founder of Powerful Transformations, a human potential learning company through which she is a keynote speaker, trainer, certified advanced group facilitator & management consultant. Prior to launching her own business in 2012, Melanie had a 20 year career in the staffing, recruiting and workforce industry.

Melanie is fondly referred to as a “game changer” by those she serves and is known for helping her clients conquer tough challenges in today’s workplace. She is also an internationally published writer on topics related to her services including leadership, team-building, change management, strategic planning and conflict resolution.

In Melanie’s presentation you’ll learn how the way you communicate in a negotiation determines the financial outcome. She shares strategies that build perceived value into your calls from the start and teaches you to engage, educate and enroll prospects and clients at higher fees!

Meeting: “Communicating Value” by Melanie Klinghoffer

If you are reviewing this episode with a team, watch the entire Episode and ask your group for their key takeaways and insights. Review the following below to fill in the gaps.

(Facilitator): Melanie provides several breakout exercises for us to complete, but let’s start by asking a very basic question. Why do your clients buy from one recruiting firm instead of a competitor? Put yourself in the shoes of a hiring manager – why would you select one firm over another?

- _____
- _____
- _____
- _____
- _____

Keep this in mind; your clients make decisions (consciously or subliminally) based simply on perception. Your hiring managers are not just persuaded by the "price" of a your service, they are moved by the benefits of what you can do and what it can do for them – THAT is their reason for partnering with you. Keep in mind the influencers of your hiring managers, and always speak to those influencers.

First step to influencing – **engaging**. We need to engage our clients with questions developed to fully reveal and understand the their needs; so many opportunities are missed when we ask questions and listen to reply instead of listening to understand. Listening to reply is not active listening and prevents you from fully understanding the real needs. Below are a list of questions to get you started; what can you add to this list?

- Big picture - what keeps you up at night?

- Imagine that you wake up tomorrow and you are immediately in a new sector of the business. Barring any barriers to entry – what would that be?
- How would the loss of your (biggest customer/vice president of _____/your patent/biggest producer) impact your business over the next 12 months? What's your contingency plan?
- What is the biggest threat to your business over the next 24 months?
- What are the things that frustrate you in your recruiting process?
- What's your biggest competitor doing that you wish you were?
- What is your contingency plan if your (hiring/R&D/sales/business development strategy fails?
- _____
- _____
- _____
- _____

Next step – **educating**. Based on the following questions, take a few minutes to write down your value differentiators:

- What differentiates you from your competitors? _____

- What is your specialty/niche, are you a small firm and you treat your clients like “part of the family”, do you have nationwide or global capabilities, perhaps you or your firm have special access to top talent others don't? _____

- Now consider your recruiting process. What is your entire recruiting process? What steps or actions do you take to source top talent? How much time is invested in searching, screening, networking, interviewing, reference checking, testing? What about the energy you put into persuading ideal candidates to choose the company you are selling to them? What is the cost of advertising and marketing? _____

Finally, let's talk about **enrolling** – we must be able to demonstrate to our clients that we are able to meet their needs. This requires aligning their needs with the differentiators and parts of the recruiting process the client perceives as valuable - meaning important, worthy and useful.

Create your script integrating a description of each step in the recruiting process and fully explaining each differentiator. Pair up with a colleague to role play with the script. After practicing several times, your confidence will increase and eventually you will feel so comfortable with the content you will no longer need the script! Your script: _____

Before we break, Melanie mentioned the concept of creating a graduated scale easing into higher fees. Below is a visual representation of an example that could be modified to fit your organization, niche, and desired variables:

	Contingent	Engaged Option 1	Engaged Option 2
Upfront Retainer	N/A	\$10,000	\$0
Exclusivity	N/A	Yes	Yes
Guaranty Period	30 days	180 days	180 days
Search Fee	35%	25%	30%
Total Estimated Search Fee (\$100k position)	\$35,000	\$25,000	\$30,000